

Total (A)
35

Name: \_\_\_\_\_

**Unit #1: Introduction to Accounting for a Service Business**  
**Chapter 3: Analyzing Changes in Financial Position**  
**In – Class Assignment**

The opening balance sheet for King Consulting Service was made up of the following figures.

Cash	\$15,000
Accounts Receivable	\$2,000
Office Equipment	\$21,000
Bank Loan	\$9,000
Accounts Payable	\$1,000
L. King, Capital	\$28,000

**Instructions:**

1. Record the balance sheet amounts on an equation analysis sheet provided.
2. Then analyze the transactions below, and record the necessary changes. Make sure to calculate New Balances after each transaction.
3. Make sure to include "totals" row at the bottom of the sheet.
4. Finally complete the accounting equation at the bottom of the sheet to make sure that your equation analysis sheet balances using the balance sheet equation.

Amounts affecting debtors and creditors are to be listed as either Accounts Receivable or Accounts Payable.

**Transactions**

1. Bought office equipment for \$7,500 on credit.
2. Did consulting work for \$900 cash.
3. Paid \$250 for hydro bill received yesterday.
4. Paid \$3,000 to a creditor.
5. Paid \$500 to reduce the bank loan.
6. Owner invested \$5,000 into the business.
7. Did consulting work for \$1,500, client has 30 days to pay.
8. Purchased \$2,500 of new office equipment, paid \$500 cash with remainder to be paid later.
9. Received \$400 as payment on accounts receivable.
10. Owner withdrew \$200 for personal use.